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ORIGINAL

September 12, 2002

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

REDACTED VERSION

VIA HAND DELIVERY

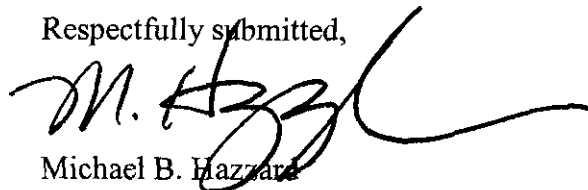
Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Re: Notice of *Ex Parte* Presentation by Z-Tel Communications,  
Inc., WC Docket No. 02-214

Ms. Dortch:

Pursuant to Section 1.1206(b)(1) of the Commission's Rules, Z-Tel Communications, Inc. ("Z-Tel"), by its attorney, submits an original and two copies of this notice of an oral *ex parte* presentation made in the above-captioned proceedings on September 10, 2002. The *ex parte* presentation was made during a meeting attended by Brent Olson, Uzoma Onyeije, and Ian Dillner of the Wireline Competition Bureau; Peggy Rubino, Justin Laughlin of Z-Tel Communications, Inc.; and the undersigned. During the meeting, the attached materials were distributed and Z-Tel discussed, among other things, billing issues with Verizon-Virginia, Inc. Please date stamp and return in the envelope provided the duplicate copy of this letter and attachments. If you have any questions or need additional information, please contact me at (703) 918-2316.

Respectfully submitted,



Michael B. Hazzard

Attachments

cc: Brent Olson  
Uzoma Onyeije  
Ian Dillner  
Peggy Rubino  
Justin Laughlin  
Qualex International

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# **Billing Issues in Virginia**

**September 10, 2002**

**WC Dkt No. 02-214**





## Billing OSS: a KEY issue

- CLECs do not receive “nondiscriminatory access” to billing OSS
- Z-Tel has aggressively pursued billing issues in prior 271 Applications, including Pennsylvania
- Z-Tel appealed to the DC Circuit the Commission’s Pennsylvania 271 Order on billing issues

**Even under the FCC’s “New Jersey” Standard, VZ-VA’s Billing System Fails**





## The “New Jersey” Standard

- CLEC must demonstrate that Verizon’s billing performance is “materially worse than it was in Pennsylvania at the time of Verizon’s application in Pennsylvania....” -- New Jersey 271 Order, ¶ 127





## VZ-VA Fails the “New Jersey” Standards

- VZ-VA is worse than VZ-PA at time of PA application
  - Accurate Virginia auditing is impossible
    - Effectively three bills instead of one
    - No BOS/BDT (electronic bill) for “legacy” customers; paper bill only
    - Paper bills overstate usage fees by over 15x
    - Two Separate BOS/BDT accounts
  - Material problems exist with BOS/BDT
    - Improper taxes
    - False retail charges
      - Features
      - Voicemail
      - LifeLine
      - Inside wire
    - Mislabeled OS/DA charges





## Verizon-South Does Not Resolve Billing Disputes

- Z-Tel has engaged in an ongoing struggle to resolve billing disputes with Verizon with little-to-no success
- On July 26, 2002, Z-Tel submitted formal request (per interconnection agreement) to resolve longstanding billing disputes
- Thus far, Verizon has failed to resolve any of Z-Tel's billing disputes





# Verizon-South Does Not Resolve Billing Disputes

<u>State</u>	<u>Days</u>						
	<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>91-120</u>	<u>121-250</u>	<u>251-350</u>	<u>351+</u>
PA	0	27	47	30	46	19	118
PA							
VA	10	14	0	11	65	16	30
VA							





## Why Does This Matter?

- Billing OSS is and has always been a Checklist Item
- Nondiscriminatory Billing OSS access crucial to entry
  - Wholesale bills – even inaccurate ones – **directly** affect CLEC profit-loss statements and ability to raise capital
  - As a result, billing accuracy is a component in every approved performance plan or filed plan

**Bottom Line: Withholds from CLECs a  
Meaningful Opportunity to Compete**





## Recommendations

- Reject current application
- Fix billing data problems
- Require Verizon to make new, comprehensive showing that it is providing Billing OSS in nondiscriminatory manner







